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Quality of Service in Higher Learning Institution: Employee Perspective

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Preview

- Background of the study
 - Service quality (SERVQUAL)
 - Perceived service quality (PSQ)
 - Employee profile-PSQ-employee performance relationships
- Limitation of extant research
- Research questions
- Objectives of the study
- Research framework
- Research methodology
- Main findings
- Conclusions and future research

Service Quality (SERVQUAL)

- Servqual is important to all organizations
- “regarded as a **driver** of corporate marketing and financial performance” (Buttle, 1996, p.48)
- as a **critical competitiveness determinant** (Lewis, 1989)
- a **source of lasting competitive advantage** through service differentiation (Moore, 1987)
- & **affects re-purchase** intentions of customers (Ghobadian, Speller & Jones, 1994)

SERVQUAL

- Poor customer service experience and negative word of mouth will lead to a **reduction in potential external customers** (Horovits, 1990); **internal customers i.e. employees** (Smith & Smith, 2007)
- Poor servqual have resulted in **low employee morale, high turnover, high absenteeism, difficulties in recruiting high quality employee, and can develop a reputation for not caring about customers and employees** (Smith & Smith, 2007; Srikanthan & Dalrymmple, 2003; Stuart and Tax 1996)
- Low servqual – **low satisfaction** (Ololube, 2006)

Perceived Service Quality (PSQ)

- **PSQ is the consumer's judgment about an entity's overall excellence or superiority**
(Zeithaml, 1987 in Parasuraman, Zeithaml & Berry, 1988)
- Is a form of attitude, related **but not equivalent to satisfaction**
- Is a comparison of expectations with perceptions of performance
 - i.e. Is a gap between what the customers feel service organisation should offer with their perceptions of the performance of organisations providing the services (Parasuraman et al., 1985)
- *“PSQ: the degree and direction of discrepancy between consumers' perceptions and expectations”*
(Parasuraman et al., 1988)

PSQ

- “expectations” = desires/wants of consumers; what the consumers feel a service provider **should offer** rather than **would offer**
- 10 dimensions of SERVQUAL scale (1985): tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access
- 5 dimensions (1988): tangibles, reliability, responsiveness, assurance and empathy
- **TANGIBLES**: Physical facilities, equipment and appearance of personnel
- **RELIABILITY**: Ability to perform the promised service dependably and accurately
- **RESPONSIVENESS**: Willingness to help customers and provide prompt service
- **ASSURANCE**: Knowledge and courtesy of employees and their ability to inspire trust and confidence
- **EMPATHY**: Caring, individualized attention the firm provides its customers

PSQ

- if the performance is less than what the customers expect ----- Low PSQ
- if performance meets/exceeds customer's expectation (Kandampully, Mok & Sparks, 2001; Bitner, 1990) ----- High PSQ

Previous studies on employee performance

- Strong acceptance among researchers:
 - increased job satisfaction results improved job performance (Godard 2001; Gould-Williams 2004; Wood and deMenezes 1998)
- Job satisfaction was positively associated with organisational citizenship behaviour (Bateman and Organ 1983); organisational commitment (Wallace 1995); salary (Guest, 1999; Clark and Oswald, 1996)
- Satisfaction had a significant negative effect on absenteeism (Boselie et al., 1998)

Previous studies on PSQ

- High PSQ increases customer satisfaction consequently enhances organisation profits and helps organisation development

(Uelschy, Laroche, Eggert & Bindlt, 2007; Oldfoeld & Baron, 2000; Allfred, 2001; Dubrovski 2001)

- High PSQ enhances employee satisfaction which facilitates the job of employees and increases employee loyalty

(Kantsperger & Kunz, 2005)

Limitation of extant research

- Various literatures to date have examined the quality of service, its antecedents and consequences
- However, in searching for more empirical evidence on service quality, surprisingly, very few studies have examined the quality of service in higher learning institutions
- Moreover, most of the studies have focused on external customers
- Therefore, very limited studies have focused on internal customers i.e. employees
- Thus, research on the relationships between PSQ , employee profile and employee performance in higher learning institutions (e.g. OUM) might give new insights

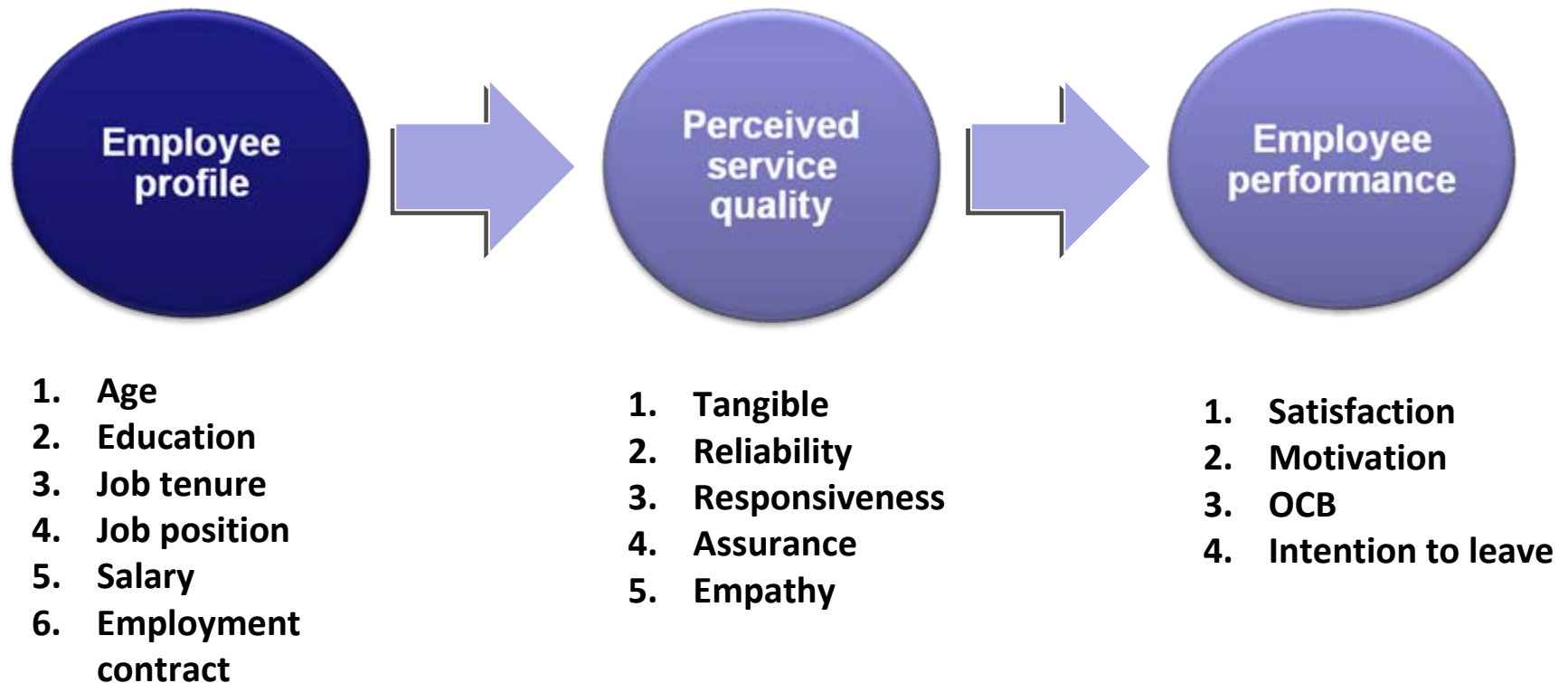
Research Questions

- What is the level of PSQ at Open University Malaysia?
- What is the relationship between employee profile and PSQ at Open University Malaysia?
- What is the relationship between PSQ and employee performance at Open University Malaysia?

Research Objectives

- To investigate the level of perceived service quality at Open University Malaysia from the perspective of employee;
- To examine the relationship between employee profile and perceived service quality at Open University Malaysia; and
- To examine the relationship between perceived service quality and employee performance at Open University Malaysia.

Research Framework



Research Methodology

- Descriptive research
- Survey and cross-sectional study
- Probability sampling procedure
- Population : 434 OUM employees (as of July 2008)
- Sample size: 65 OUM employees (various departments)
- Response rate: 56.5% (115 distributed; 65 returned)

Data Collection Method

i) **A self-administered questionnaire survey**

- Randomly select from administrative employees, academics, executives and managers of various departments at OUM headquarters
- Both open-ended & closed ended questions
- E.g. Which department do you work in? (E01); Please describe the service provided by your department (E02)
- Completion or fill-in items, checklists & Likert-type items (7 strongly agree, 6 agree, 5 somewhat agree, 4 undecided, 3 disagree somewhat, 2 disagree, 1 strongly disagree)
- 5 sections:
 - a) Expectations of service quality (A01-A22)
 - b) Perceptions of service quality (B01-B22)
 - c) Personal work experience of the present job (C01-C16)
 - d) Organisational performance (D01-D02)
 - e) General background information (E01-E20)

ii) **Literature searching**

Research Instruments

- The SERVQUAL instrument by Parasuraman et al. (1988) was adopted in order to measure the employees' expectations (22 items) and perceptions (22 items)
- The satisfaction scale consists of 2 items:
 - *Overall, I am satisfied with my work (C02) (Gould-Williams 2007)*
 - *Overall, I am satisfied with the services provided by this organization (C16)*
- Motivation – 2 items
 - *I look forward to coming to work (c08)*
 - *I work particularly hard because I want to (c09)*
- OCB – 1 item
 - *I'm prepared to do extra work for no additional pay, just to help other staff (c03)*
- Intention to leave – 1 item
 - *I would like to leave my job (c07)*

Dimension	Quest items	
Tangibles	1-4	Physical surroundings, materials, equipments
Reliability	5-9	Ability to provide information of a consistent and appropriate standard
Responsiveness	10-13	Management do what they say they will do, at agreed times
Assurance	14-17	Management inspire trust and confident
Empathy	18-22	Caring, individualized attention given to employees

* The values of coefficient alpha ranged from .55 to .94

Cronbach's Alphas

•	Exec_Tangibles (A01-A04, 4 items)	.74
•	Exec_Reliability (A05-A09, 5 items)	.77
•	Exec_Responsiveness (A10-A13, 4 items)	.69
•	Exec_Assurance (A14-A17, 4 items)	.80
•	Exec_Empathy (A18-A22, 5 items)	.70
•	Perc_Tangibles (B01-B04, 4 items)	.88
•	Perc_Reliability (B05-B09, 5 items)	.94
•	Perc_Responsiveness (B10-B13, 4 items)	.81
•	Perc_Assurance (B14-B17, 4 items)	.89
•	Perc_Empathy (B18-B22, 5 items)	.58
•	Satisfaction (C2&C16, 2 items)	.55
•	Motivation (C8-C9, 2 items)	.63
•	Intention to quit (C7)	NA
•	Work experience (C01-C16, 16 items)	.59
•	Perceived organisational performance (D1-D2)	.83

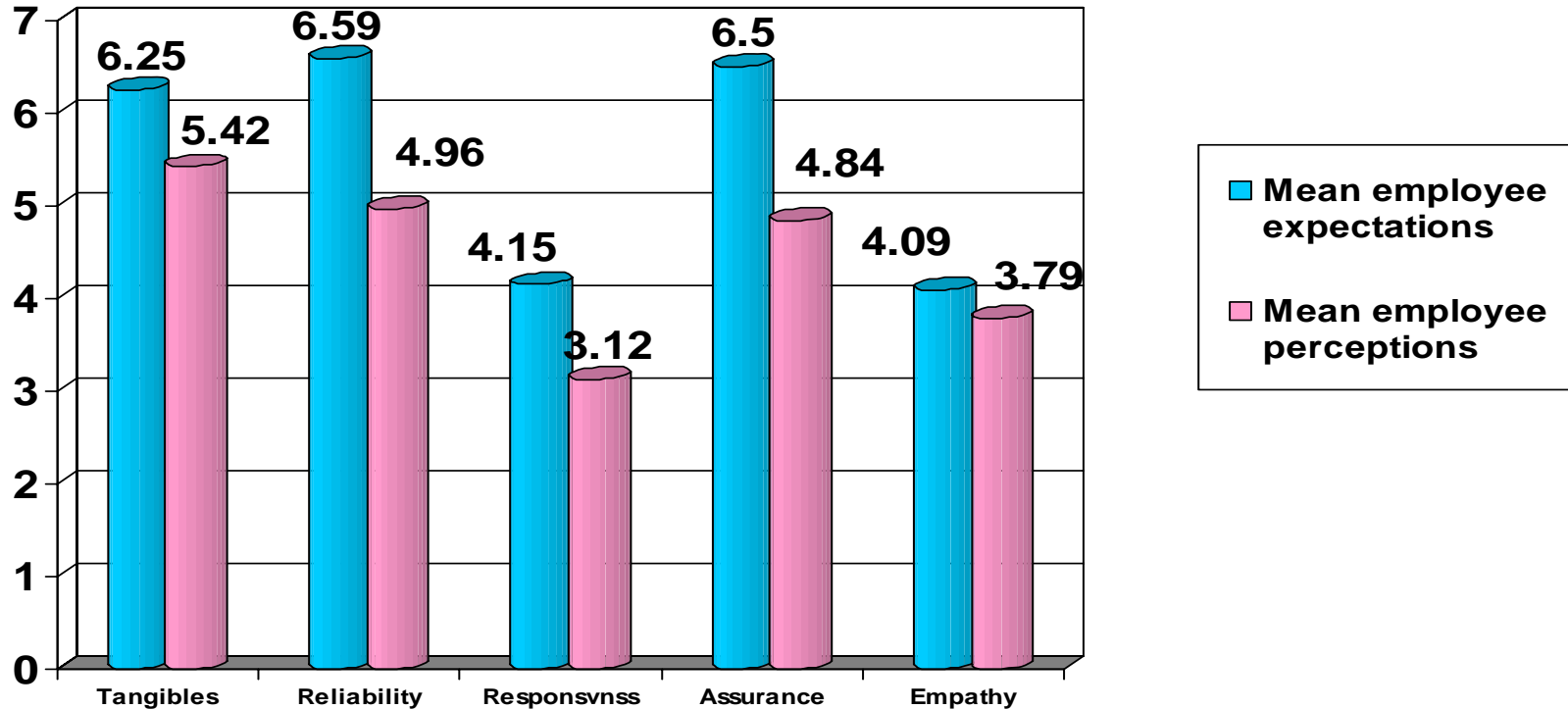
Employees' Profile

Sample size = 65

Demographic	Frequency score	Valid percentage
Job position: Non-executive	27	41.5%
Job tenure/span: 2-5 years	29	44.6%
Nature of employment: Permanent	53	53.8%
Monthly salary: MYR1,101-1,999	24	36.9%
Highest academic qualification: Bachelor degree	28	43.1%
Age group: 21-30 y.o.	31	47.7%
Gender: Female	33	52.4%
Marital status: Married	33	55.9%
Ethnic group: Malay	64	98.5%

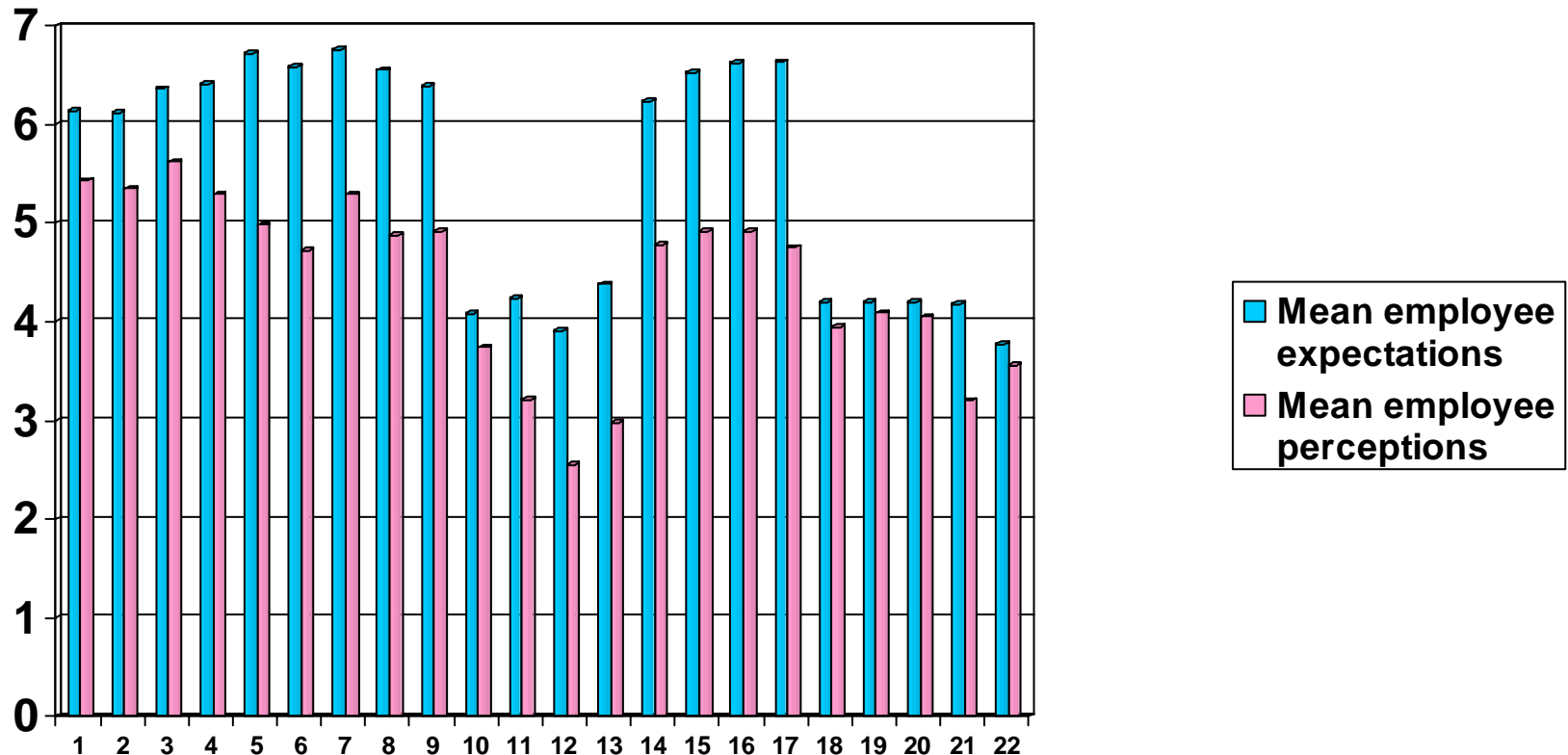
1. What is the level of PSQ at OUM?

Mean employee expectations & mean employee perceptions by PSQ dimensions



PSQ score, Q = Mean employees perceptions, P – Mean employees expectations, E

Mean employee expectations & mean employee perceptions by PSQ individual items



- A01 The organisation should have up-to-date equipment (mean 6.14)
- A02 The physical facilities should be visually appealing (mean 6.11)
- A03 The staff should be well-dressed and appear neat (mean 6.36)
- A04 The appearance of the physical facilities of the organisation should be in keeping with the type of services provided (mean 6.41)
- A05 When the organisation promises to do something by a certain time, they should do so (mean 6.71)
- A06 When staff have problems, the organisation should be sympathetic and reassuring (mean 6.58)
- A07 The organisation should be dependable (mean 6.72)
- A08 The organisation should provide its services at the time it promises to do so (mean 6.55)
- A09 The organisation should keep its records accurately (mean 6.38)
- A10 The organisation should not be expected to tell staff exactly when services will be performed (mean 3.74)
- A11 It is not realistic for staff to expect prompt service from other staff of the organisation (mean 3.21).

- A12 The staff do not always have to be willing to help each other (mean 2.55)
- A13 It is alright if the organisation is too busy to respond to staff requests promptly (mean 2.97)
- A14 Staff should be able to trust each other in the organisation (mean 6.23)
- A15 Staff should be able to feel safe in their transactions with other employees of the organisation (mean 6.52)
- A 16 The staff should be polite (mean 6.62)
- A17 The staff should get adequate support from the organisation in order to do their jobs well (mean 6.38)
- A18 The organisation should not be expected to give individual attention to each staff (mean 3.56)
- A19 Other staff of the organisation cannot be expected to give their personal attention to you (mean 3.20)
- A20 It is unrealistic to expect other staff to know your needs (mean 4.05)
- A21 It is unrealistic to expect the organisation to have its staff's best interests at heart (mean 4.20)
- A22 The organisation should not be expected to have operating hours convenient to all staff (mean 3.95)

- B01 The organisation has up-to-date equipment (mean 5.43)
- B02 The organisation's physical facilities are visually appealing (mean 5.35)
- B03 The organisation's staff are well-dressed and appear neat (mean 5.62)
- B04 The appearance of the physical facilities of the organisation is in keeping with the type of services provided (mean 5.29)
- B05 When the organisation promises to do something by a certain time, it does so (mean 4.98)
- B06 When staff have problems, the organisation is sympathetic and reassuring (mean 4.72)
- B07 The organisation is dependable (mean 5.29)
- B08 The organisation provide its services at the time it promises to do so (mean 4.88)
- B09 The organisation keeps its records accurately (mean 4.91)
- B10 The organisation does not tell staff exactly when services will be performed (mean 4.38)
- B11 You do not receive prompt service from other staff (mean 3.91)

- B12 Other staff are not always willing to help you (mean 4.23)
- B13 Other staff are too busy to respond to your requests promptly (mean 4.08)
- B14 You can trust other staff of the organisation (mean 4.78)
- B15 You feel safe in your transactions with other staff of the organisation (mean 4.91)
- B16 Staff of the organisation are polite (mean 4.91)
- B17 Staff get adequate support from the organisation to do their jobs well 18 (mean 4.75)
- B18 The organisation does not give individual attention to you (mean 3.77)
- B19 Other staff of the organisation do not give their personal attention to you (mean 4.18)
- B20 Other staff of the organisation do not know what your needs are (mean 4.20)
- B21 The organisation does not have your best interests at heart (mean 4.09)
- B22 The organisation does not have operating hours convenient to all staff (mean 4.20)

2. What is the relationship between employee profile and PSQ at OUM?

Correlation matrix of employee profile (age, education, job tenure, job position, salary & employment contract) & PSQ

	Variables	N	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	Age	65	2.63	.78												
2	Education	65	4.35	1.20	ns											
3	Job tenure	65	2.80	.92	ns	ns										
4	Job position	65	2.22	1.79	ns	.36*	ns									
5	Salary	64	3.02	1.24	.54**	.60**	ns	.60**								
6	Employment contract	65	2.51	.56	ns	ns	.59**	ns	ns							
7	Expectations of servqual	60	115.17	10.70	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>						
8	Perceptions of servqual	64	103.08	14.87	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>	<u>ns</u>	.38**					
9	Satisfaction	65	10.51	2.02	ns	ns	ns	ns	ns	ns	ns	.44**				
10	Motivation	65	11.37	2.09	ns	ns	ns	ns	ns	ns	ns	ns	.36**			
11	OCB	65	5.02	1.42	ns	ns	ns	ns	ns	ns	ns	.34**	.44**	ns		
12	Intention to leave	65	3.05	1.77	ns	ns	ns	ns	ns	ns	ns	ns	Ns	-.39**	ns	
13	Perceived organisational performance	65	10.49	2.08	ns	ns	ns	ns	ns	ns	ns	.46**	.50**	.35**	.30**	ns

* statistically significant at .05 level; ** statistically significant at .01 level; *** statistically significant at .001 level

3. What is the relationship between PSQ and employee performance at OUM?

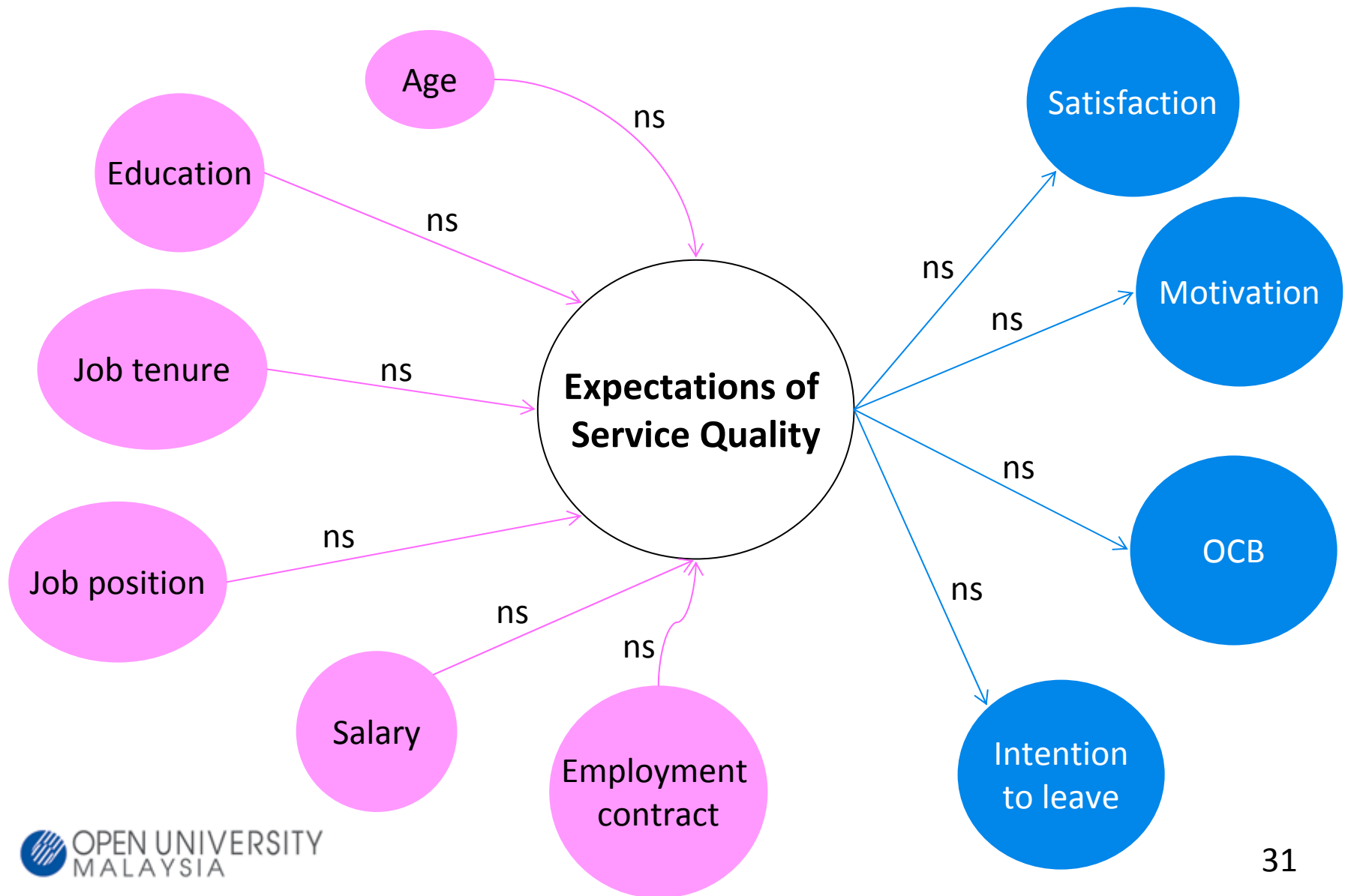
Correlation matrix of PSQ and satisfaction, motivation, OCB & intention to leave

	Variables	N	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	Age	65	2.63	.78												
2	Education	65	4.35	1.20	ns											
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5	Salary	64	3.02	1.24	.54**	.60**	ns	.60**								
6	Employment contract	65	2.51	.56	ns	ns	.59**	ns	ns							
7	Expectations of servqual	60	115.17	10.70	ns	ns	ns	ns	ns	ns						
8	Perceptions of servqual	64	103.08	14.87	ns	ns	ns	ns	ns	ns	.38**					
9	Satisfaction	65	10.51	2.02	ns	ns	ns	ns	ns	ns	ns	.44**				
10	Motivation	65	11.37	2.09	ns	ns	ns	ns	ns	ns	ns	ns	.36**			
11	OCB	65	5.02	1.42	ns	ns	ns	ns	ns	ns	ns	.34**	.44**	ns		
12	Intention to leave	65	3.05	1.77	ns	ns	ns	ns	ns	ns	ns	ns	ns	-.39**	ns	
13	Perceived organisational performance	65	10.49	2.08	ns	ns	ns	ns	ns	ns	ns	.46**	.50**	.35**	.30**	ns

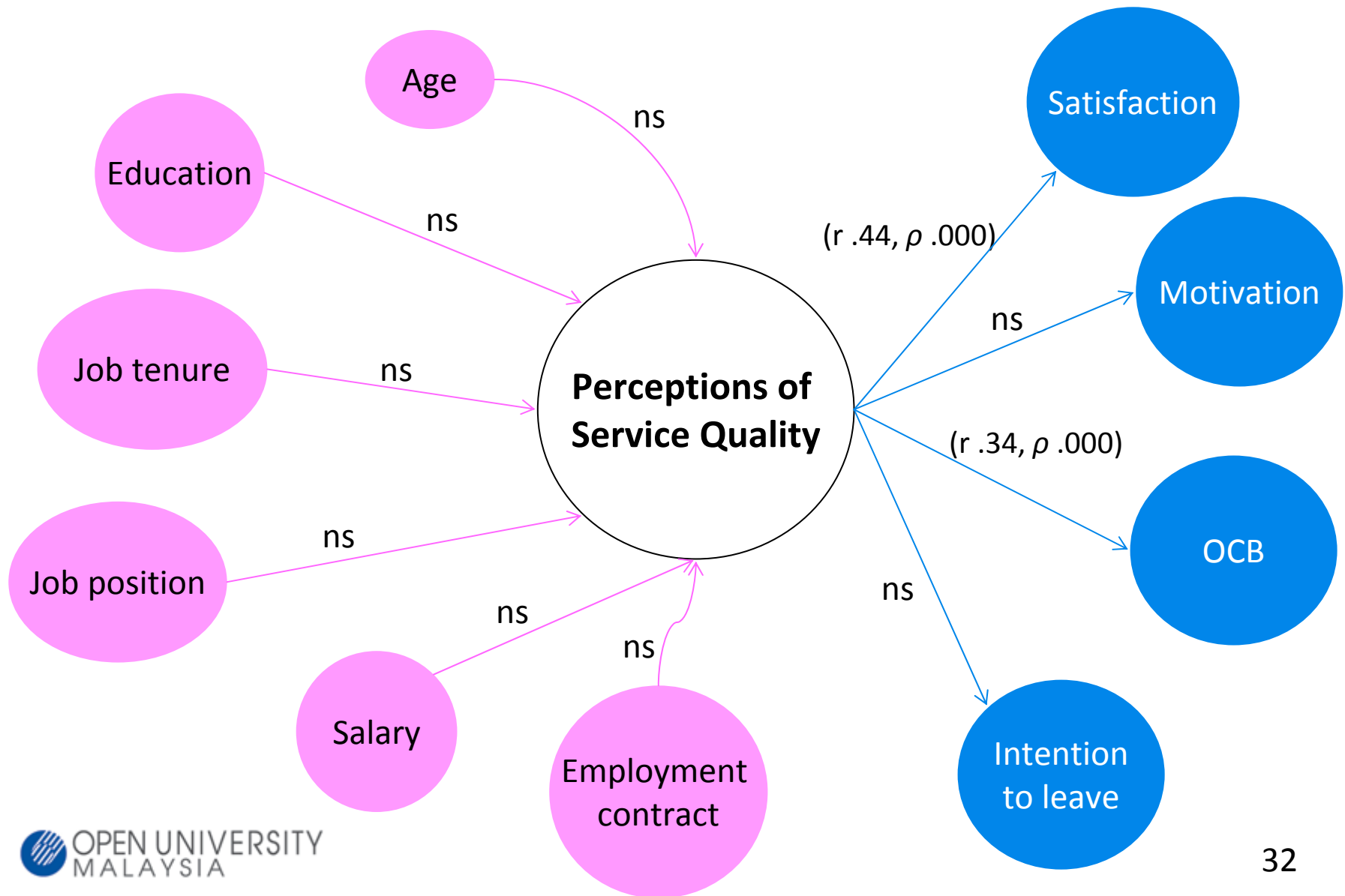
* statistically significant at .05 level; ** statistically significant at .01 level; *** statistically significant at .001 level

- The results for the relationship between expectations of servqual and employee performance (ie satisfaction, motivation, OCB & intention to leave) were not statistically significant.
- The r value explains that there was a positive and medium relationship between perceptions of servqual and satisfaction ($r .44, p .000$).
- The results also show that there was a positive and medium relationship between perceptions of servqual and organisational citizenship behavior ($r .34, p .000$).

Employee profile-PSQ-employee performance relationships



Employee profile-PSQ-employee performance relationships



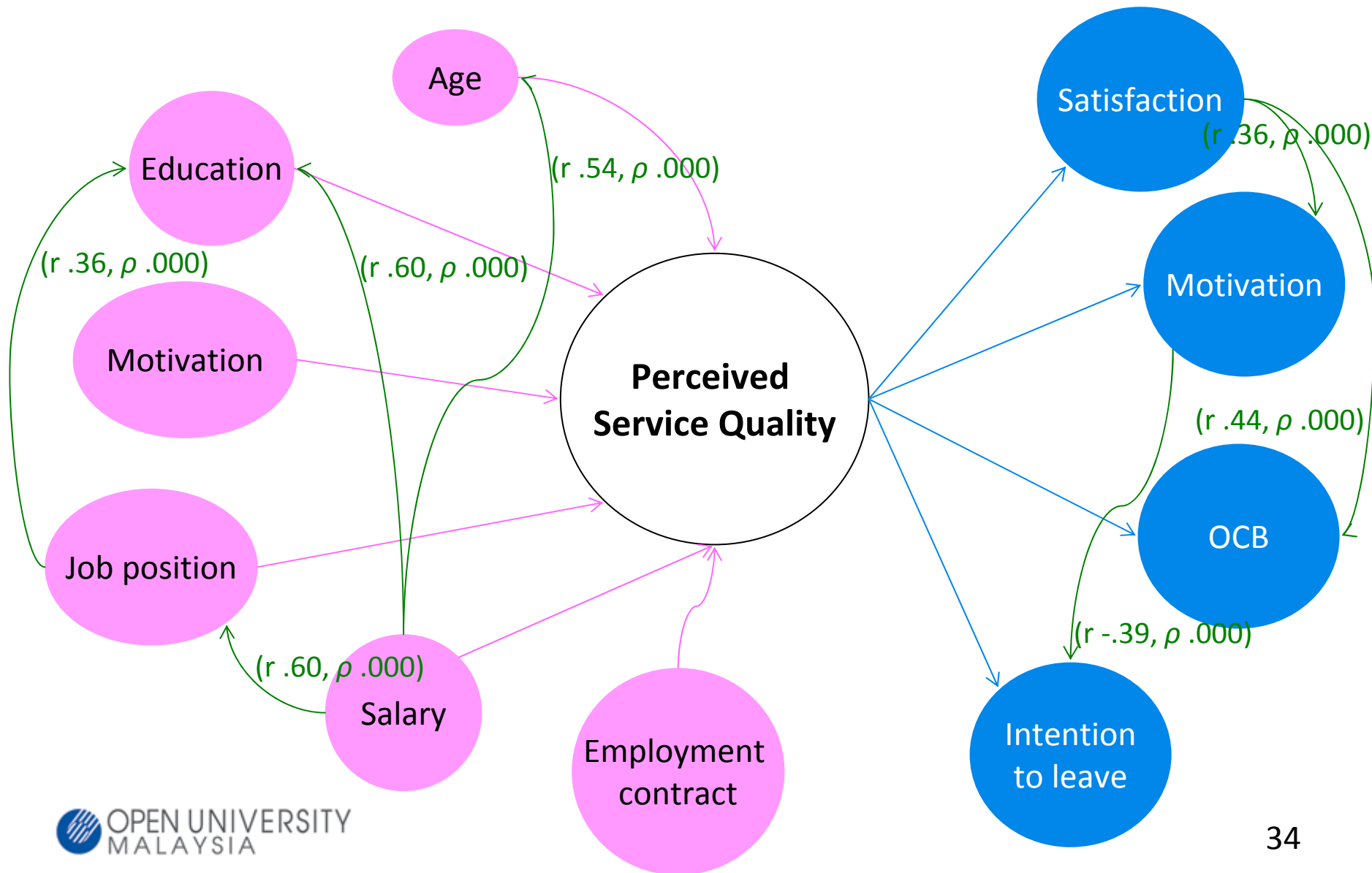
OTHER RESULTS:

Correlation matrix of employee profile (age, education, job tenure, job position, salary & employment contract) & PSQ

	Variables	N	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
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5	Salary	64	3.02	1.24	.54**	.60**	ns	.60**								
6	Employment contract	65	2.51	.56	ns	ns	.59**	ns	ns							
7	Expectations of servqual	60	115.17	10.70	ns	ns	ns	ns	ns	ns						
8	Perceptions of servqual	64	103.08	14.87	ns	ns	ns	ns	ns	ns	.38**					
9	Satisfaction	65	10.51	2.02	ns	ns	ns	ns	ns	ns	ns	.44**				
10	Motivation	65	11.37	2.09	ns	ns	ns	ns	ns	ns	ns	ns	.36**			
11	OCB	65	5.02	1.42	ns	ns	ns	ns	ns	ns	ns	.34**	.44**	ns		
12	Intention to leave	65	3.05	1.77	ns	ns	ns	ns	ns	ns	ns	ns	ns	-.39**	ns	
13	Perceived organisational performance	65	10.49	2.08	ns	ns	ns	ns	ns	ns	ns	.46**	.50**	.35**	.30**	ns

* statistically significant at .05 level; ** statistically significant at .01 level; *** statistically significant at .001 level

Other relationships



- The results show that there were positive and strong relationships between salary and age ($r .54, p .000$), education ($r .60, p .000$) & job position ($r .60, p .000$).
- There was a positive and medium relationship between job position and education ($r .36, p .000$).
- Motivation and OCB were found to have positive and medium relationships with satisfaction ($r .36, p .000$; $r .44, p .000$ respectively).
- Finally, the r value explains that there was a negative and medium relationship between motivation and intention to leave ($r -.39, p .000$).

Conclusions

1. The employees were satisfied with the quality of services provided by OUM.
2. However, there was a low level of service quality at OUM as perceived by employees (i.e. the performance was less than what the employees expected, $P < E$)
3. The r values indicate that perceptions of service quality correlated positively with the job satisfaction and OCB at OUM as perceived by employees.
4. Therefore, the employees' perceptions of service quality and job satisfaction and OCB at OUM were significantly linked.
5. Thus, the study has addressed a significant gap in the extant literature
 - in that it has tested the relationship between employee profile, PSQ and employee performance in ODL HLI
 - provides additional empirical support

Recommendations

- Quality improvement initiatives
 - higher quality in service delivery for the employees
 - focusing on the dimensions of Tangibles, Reliability, Assurance and Empathy
- Continuous high quality in service delivery
 - to sustain high levels of employee satisfaction and OCB which consequently lead to higher profitability

Future Research

- Future research is hoped to continue this study with regards to:
 - PSQ and the link with other employee's outcomes such as stress and work pressure
 - the effects of HRM best practices on service quality in higher learning institutions
- Focus groups and in-depth interviews
- Extensive samples

Thank you